

# ALASKA STATE LEGISLATURE

## LEGISLATIVE BUDGET AND AUDIT COMMITTEE

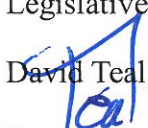
### Division of Legislative Finance

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#### MEMORANDUM

DATE: August 9, 2013

TO: Legislative Budget and Audit Committee

FROM:  David Teal, Director

SUBJECT: Preparation for the August 22, 2013 LB&A Meeting

OMB submitted the following FY14 RPLs for consideration at the August 22, 2013 Legislative Budget and Audit Committee meeting. These RPLs, along with Legislative Finance comments, are posted on our web site at <http://www.legfin.state.ak.us/>.

RPL#	Agency	Subject	Amount	Fund Source
05-4-0012 <b>FY14 Operating</b>	Education and Early Development	Harper Arts Touring Program and Youth Cultural Heritage Program	\$160,000	SDPR (1108)
09-4-0020 <b>FY13 Capital</b>	Military and Veterans Affairs	National Guard Counterdrug Support	\$150,000	Federal (1002)

If you have any questions that you want an agency to address at the meeting, please call us so we can help ensure the agency has a response prepared.

**Department of Education and Early Development  
Commissions and Boards  
Alaska State Council on the Arts**

<b>Subject of RPL:</b> Harper Arts Touring Program and Youth Cultural Heritage Program	<b>ADN/RPL #:</b> 05-4-0012
<b>Amount requested:</b> \$160,000	<b>Appropriation Authority:</b> Sec 1, Ch 14, SLA 2013, pg 11, ln 30
<b>Funding source:</b> \$160,000 Statutory Designated Program Receipts (1108), Operating	<b>Statutory Authority:</b> AS44.27.050-052

**PURPOSE**

In FY2014, the Rasmuson Foundation will engage the services of the Alaska State Council on the Arts (ASCA) to continue administration of the Harper Arts Touring program and to manage the planning and implementation of a new program, the Youth Cultural Heritage program. The amount of funding for these programs has been increased by \$160,000 from \$220,000 to \$380,000 for FY2014.

The Harper Arts Touring program provides grants to stimulate access to high quality performing arts in communities throughout Alaska, including traveling arts and cultural exhibits. The program helps encourage tours of Alaska's performing arts, and builds the capacity of organizations in small communities.

The Youth Cultural Heritage program supports strategies for youth that focus on cultural heritage at the intersection of arts education. The program provides grants to eligible nonprofit organizations and school-based programs to directly engage youth in cultural heritage programs and events, and to provide exposure to cultural materials, traditional instruments and tools associated with cultural celebration and practice.

**PREVIOUS LEGISLATIVE CONSIDERATION**

Legislative Budget and Audit approved two previous RPLs for the administration of the Harper Arts Touring program. In FY2012, RPL 05-2-0070 for \$65,000 in statutory designated program receipts (SDPR) authority was considered and approved on October 14, 2011. In FY2013, RPL 05-3-0002 for \$80,000 SDPR authority was considered and approved on June 27, 2012.

In FY2014 an additional \$80,000 of SDPR authority was appropriated for the Harper Arts Touring Program and the total SDPR budget increased from \$180.8 in FY2013 to \$261.0 in FY2014.

**TIMING ISSUES**

The ASCA's initial agreement with the Rasmuson Foundation to administer its Harper Arts Touring program began in FY2012. During the FY2014 budget process, \$80.0 SDPR authorization was added to ASCA's budget. In late June 2013, the Rasmuson Foundation indicated they would increase the funds provided for this program, in addition to providing new funds to the ASCA to manage the new Youth Cultural Heritage program.

A renewed long-term agreement between the ASCA and the Rasmuson Foundation has been finalized with the contract duration set from July 1, 2013 through June 30, 2017. Due to the ASCA cultivating partnerships through private entities, there are continuous opportunities to apply for private funding grants. Given the variable nature of the unanticipated timing and funding level of grant receipts, it is difficult to precisely align authorization.

### **BUDGETARY ISSUES**

The Department of Education and Early Development respectfully requests \$160,000 additional SDPR authorization for the Harper Arts Touring and Youth Cultural Heritage programs. The funding will be allocated to services \$56,400 and grants \$103,600. There is no general fund match requirement, and no new positions are needed for this request. Additional SDPR authority will be considered for the FY2015 budget request.

<b>SDPR BUDGET</b>	Authorization Total
FY2014 Budgeted SDPR	<b>261,000</b>
FY2014 Grants:	
<b>Rasmuson Foundation Grants Under Contract</b>	
Arts in Education	130,000
Youth Cultural Heritage Program (New)	115,000
Harper Arts Touring Fund	85,000
Grant Administration	50,000
<b>Total Rasmuson Grants Under Contract</b>	<b>380,000</b>
<b>Other Grants in Process</b> (Conoco Phillips, Rasmuson, National Arts and Disability Center)	41,000
<b>TOTAL GRANTS</b>	<b>421,000</b>
<b>SDPR RPL REQUEST</b>	<b>160,000</b>

Approval of this request will enable the ASCA to receive and expend grant funds that will be disbursed to eligible nonprofit organizations in Alaska for the purpose of making the performing arts and arts education available in their communities. This funding opportunity aligns with the ASCA's long-term plans and mission to foster the development of the arts for all Alaskans through education, partnerships, grants and services.

**Legislative Fiscal Analyst Comment:** The actual FY14 budgeted SDPR is \$261,000, bringing the overall total to \$421,000 with the approval of this RPL. Also, the Rasmuson Foundation now allows \$50,000 of the Harper Arts Touring Program for administrative costs of the Alaska State Council on the Arts.

**There are no technical concerns.**

		<b>Appropriation</b>	<b>General</b>	<b>Other</b>
		<b>Allocations</b>	<b>Funds</b>	<b>Funds</b>
1				
2				
3	Youth in Detention	1,100,000		
4	Special Schools	3,316,900		
5	Alaska Challenge Youth	4,791,400		
6	Academy			
7	<b>Education Support Services</b>	<b>6,242,900</b>	<b>3,796,000</b>	<b>2,446,900</b>
8	Executive Administration	900,000		
9	Administrative Services	1,642,700		
10	Information Services	1,047,700		
11	School Finance & Facilities	2,652,500		
12	<b>Teaching and Learning Support</b>	<b>239,062,200</b>	<b>31,593,800</b>	<b>207,468,400</b>
13	Student and School	167,073,700		
14	Achievement			
15	Online with Libraries (OWL)	761,800		
16	Live Homework Help	138,200		
17	Alaska Learning Network	1,100,000		
18	State System of Support	1,959,400		
19	Statewide Mentoring Program	3,000,000		
20	Teacher Certification	918,100		
21	The amount allocated for Teacher Certification includes the unexpended and			
22	unobligated balance on June 30, 2013, of the Department of Education and Early			
23	Development receipts from teacher certification fees under AS 14.20.020(c).			
24	Child Nutrition	52,697,300		
25	Early Learning Coordination	9,413,700		
26	Pre-Kindergarten Grants	2,000,000		
27	<b>Commissions and Boards</b>	<b>2,206,000</b>	<b>1,110,800</b>	<b>1,095,200</b>
28	Professional Teaching	298,700		
29	Practices Commission			
30	Alaska State Council on the	1,907,300		
31	Arts			
32	<b>Mt. Edgecumbe Boarding School</b>	<b>10,751,700</b>	<b>4,667,400</b>	<b>6,084,300</b>
33	Mt. Edgecumbe Boarding	10,751,700		

# **2013 Legislature - Operating Budget Allocation Totals - Conf Com Structure**

**Numbers and Language**

**Agency: Department of Education and Early Development**

**Appropriation: Commissions and Boards  
Allocation: Alaska State Council on the Arts**

	[1] 13Fn1Bud	[2] Adj Base	[3] GovAmd+	[4] Enacted	[5] Bills	[6] OtherOp	[7] 14Budget	[7] - [1] 13Fn1Bud to 14Budget		[7] - [2] Adj Base to 14Budget		[7] - [3] GovAmd+ to 14Budget	
<b>Total</b>	1,900.7	1,821.4	1,906.1	1,907.3	0.0	0.0	1,907.3	6.6	0.3 %	85.9	4.7 %	1.2	0.1 %
<u>Objects of Expenditure</u>													
Personal Services	602.6	603.3	608.0	609.2	0.0	0.0	609.2	6.6	1.1 %	5.9	1.0 %	1.2	0.2 %
Travel	32.6	32.6	32.6	32.6	0.0	0.0	32.6	0.0		0.0		0.0	
Services	444.5	424.5	444.5	444.5	0.0	0.0	444.5	0.0		20.0	4.7 %	0.0	
Commodities	20.4	20.4	20.4	20.4	0.0	0.0	20.4	0.0		0.0		0.0	
Capital Outlay	10.0	10.0	10.0	10.0	0.0	0.0	10.0	0.0		0.0		0.0	
Grants, Benefits	790.6	730.6	790.6	790.6	0.0	0.0	790.6	0.0		60.0	8.2 %	0.0	
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0		0.0	
<u>Funding Sources</u>													
1002 Fed Rcpts (Fed)	793.9	794.5	796.2	797.2	0.0	0.0	797.2	3.3	0.4 %	2.7	0.3 %	1.0	0.1 %
1003 G/F Match (UGF)	775.4	775.4	778.2	778.2	0.0	0.0	778.2	2.8	0.4 %	2.8	0.4 %	0.0	
1004 Gen Fund (UGF)	22.7	22.8	22.8	23.0	0.0	0.0	23.0	0.3	1.3 %	0.2	0.9 %	0.2	0.9 %
1005 GF/Prgm (DGF)	10.9	10.9	10.9	10.9	0.0	0.0	10.9	0.0		0.0		0.0	
1007 I/A Rcpts (Other)	7.0	7.0	7.0	7.0	0.0	0.0	7.0	0.0		0.0		0.0	
1108 Stat Desig (Other)	260.8	180.8	261.0	261.0	0.0	0.0	261.0	0.2	0.1 %	80.2	44.4 %	0.0	
1145 AIPP Fund (Other)	30.0	30.0	30.0	30.0	0.0	0.0	30.0	0.0		0.0		0.0	
<u>Positions</u>													
Perm Full Time	6	6	6	6	0	0	6	0		0		0	
Perm Part Time	0	0	0	0	0	0	0	0		0		0	
Temporary	0	0	0	0	0	0	0	0		0		0	



**Department of Education & Early Development  
Commission and Boards  
Alaska State Council on the Arts**

<b>Subject of RPL:</b> Harper Arts Touring Program	<b>ADN/RPL #:</b> 05-3-0002
<b>Amount requested:</b> \$80,000	<b>Appropriation Authority:</b> Sec 1, Ch 15, SLA 2012, pg 12, ln 15
<b>Funding source:</b> \$80,000 SDPR (1108) Operating	<b>Statutory Authority:</b> AS 44.27.050-052

**PURPOSE**

In FY2013, the Rasmuson Foundation will engage the services of the Alaska State Council on the Arts (ASCA) in the administration of the Harper Arts Touring grant program. The Harper Arts Touring program helps stimulate access to high quality performing arts in communities throughout Alaska, including traveling arts and cultural exhibits. The program helps encourage tours of Alaska's performing arts, and builds capacity of organizations in small communities.

**PREVIOUS LEGISLATIVE CONSIDERATION**

At their October 14, 2011 meeting, Legislative Budget and Audit approved RPL 05-2-0070 for \$65,000 Statutory Designated Program Receipts.

**TIMING ISSUES**

The initial agreement with the Rasmuson Foundation to administer its Harper Arts Touring grant program began in FY2012. At that time, there was not assurance that the services of ASCA would be needed in the following fiscal year. However, in mid-April 2012, the Rasmuson Foundation notified the ASCA of its interest in renewing ASCA's services for the Harper Arts Touring grant program. Should the Rasmuson Foundation indicate a desire for continued support in FY2014 and beyond, the Department will request an increase to the statutory designated program receipt authorization during the FY2014 budget process.

A renewed agreement between the ASCA and the Rasmuson Foundation has been received for FY2013.

Due to the nature of how the ASCA cultivates partnerships through private entities, there are continuous opportunities to apply for private funding grants. However, the unanticipated timing and funding level of receipts is challenging in order to exactly align authorization.

**BUDGETARY ISSUES**

The Department of Education and Early Development is respectfully requesting \$80,000 additional Statutory Designated Program Receipt (SDPR) authorization for the Harper Arts Touring grant program. The funding will be allocated to the following expenditure line items: 73000 (Services) \$20,000 and 77000 (Grants) \$60,000. There is no general fund match requirement, and no new positions will be needed for this request.

	Authorization Total
FY2013 Budgeted SDPR	180,000
Less Grants:	
Arts In Education	(140,000)
Grants in process from the following: ConocoPhillips, Rasmuson	(40,000)
Available Balance	0
<b>RPL - Harper Arts Touring Program</b>	<b>80,000</b>
Total Revised Authorization	260,000

Approval of this request will give the ASCA the ability to receive and expend grant funds by disbursing them to eligible non-profit organizations in Alaska for the purpose of making the performing arts available in their communities. This funding opportunity aligns with the ASCA's long term plans and mission to foster the development of the arts for all Alaskans through education, partnerships, grants and services.

**Legislative Fiscal Analyst Comment:** Budgeted FY13 SDPR is \$180,800, bringing the overall total to \$260,800 with the approval of this RPL. Also, the Rasmuson Foundation allows up to \$20,000 of the Harper Arts Touring Program to be used for administrative costs of the Alaska State Council on the Arts.

**Department of Education & Early Development  
Commissions and Boards  
Alaska State Council on the Arts**

<b>Subject of RPL:</b> Harper Arts Touring Program	<b>ADN/RPL #:</b> 05-2-0070
<b>Amount requested:</b> \$65,000	<b>Appropriation Authority:</b> Sec 1, Ch 3, FSSLA 2011, Pg 12, Lines 22-23
<b>Funding source:</b> \$65,000 SDPR (1108) Operating	<b>Statutory Authority:</b> AS44.27.050-052

**PURPOSE**

The Rasmuson Foundation is engaging the services of the Alaska State Council on the Arts (ASCA) in the administration of the Harper Arts Touring program. The Harper Arts Touring program helps stimulate access to high quality performing arts in communities throughout Alaska, including traveling arts and cultural exhibits. The program helps encourage tours of Alaska's performing arts, and builds capacity of organizations in small communities.

**PREVIOUS LEGISLATIVE CONSIDERATION**

There was no previous legislative consideration.

**TIMING ISSUES**

The ASCA was notified of the unanticipated Rasmuson Foundation grant after the regular session ended, and the associated funding agreement was finalized and signed August 31 (see attachment). The funds are currently in-hand and are available through June 30, 2012.

Due to the nature of how the ASCA cultivates partnerships through private entities, there are continuous opportunities to apply for private funding grants. However, the unanticipated timing and funding level of receipts is challenging in order to exactly align authorization.

**BUDGETARY ISSUES**

The Department of Education and Early Development is respectfully requesting \$65,000 additional SDPR authorization for the Harper Arts Touring grant. The funding will be allocated to the following expenditure line items: 73000 (Services) \$15,000 and 77000 (Grants) \$50,000. There is no general fund match requirement, and no new positions are needed for this request.

	AuthorizationTotal
FY12 Budgeted SDPR	180,000
Less Grants:	
Arts in Education	(140,000)
Grants in process from the following:	(40,000)
ConocoPhillips, Rasmuson, GCI- notifications due during October	
Available Balance	0
<b>RPL-Harper Arts Touring Program</b>	<b>65,000</b>
Total Revised Authorization	245,000

Approval of this request will give the ASCA the ability to receive and expend grant funds by disbursing them to eligible non-profit organizations in Alaska for the purpose of making the performing arts available in their communities.

Agency Contact: Anna Kim, (907) 465-2875

Legislative Finance Contact: Danith Watts, (907) 465-5435



This funding opportunity aligns with the ASCA's long term plans and mission to foster the development of the arts for all Alaskans through education, partnerships, grants and services.

***Legislative Fiscal Analyst Comment:* The terms of the attached contract limit pass-through grants to \$50,000. An additional \$15,000 provided by the Rasmuson Foundation is to cover administrative costs of the Alaska State Council on the Arts. Funding approved by the Foundation was not anticipated in the FY12 budget. The FY12 budgeted amount for SDPR of \$180,000 is already committed. Approval of this RPL will bring the overall FY12 SDPR to \$245,000.**

**Department of Military and Veterans' Affairs  
Military and Veterans Affairs'  
Office of the Commissioner**

<b>Subject of RPL:</b> National Guard Counterdrug Support	<b>ADN/RPL #:</b> 09-4-0020
<b>Amount requested:</b> \$150,000	<b>Appropriation Authority:</b> Sec 1, Ch 17, SLA 2012, pg 122, ln 13
<b>Funding source:</b> \$150,000 Federal Receipts (1002) FY2013 Capital	<b>Statutory Authority:</b> AS 26.05.010(b)(1); AS 44.35.020(a)(1)

**PURPOSE**

The Department of Military and Veterans' Affairs (Department) requests an additional \$150,000 of federal authority to accept federal forfeiture funding related to the investigation of an international drug trafficking ring in 2006. The Department receives an annual \$100,000 capital appropriation with federal receipt authority for this purpose. A total of \$250,000 is anticipated to be received for the FY2013 appropriation which includes \$150,000 in excess federal receipts from the 2006 case. Prior year appropriations for this purpose have been fully expended.

In this case, the Alaska National Guard Counterdrug program and other local law enforcement agencies assisted federal agents in the indictment of several drug traffickers who, between 2001 and 2006, imported at least \$10 million worth of marijuana into Alaska. The federal government seized and sold off assets that were paid for with drug money and shared these proceeds with organizations participating in the Department of Justice (DOJ) Asset Forfeiture Program. Because the assets from this specific case were significantly more substantial than most cases, the Counterdrug program received a much higher than average revenue disbursement.

**Legislative Fiscal Analyst Comment:** According to the capital project backup, this funding supports law enforcement agencies in drug enforcement operations, assists in training law enforcement officers, and provides community-based drug awareness programs.

All revenue that comes into the Counterdrug program through this appropriation is from the federal DOJ Asset Forfeiture Fund (Section 112, Title 32, United States Code (32 USC § 112) is the federal authority for the Counterdrug program). This appropriation works to enhance public safety and security measures for all Alaskans by providing technological support, supplies, and facility improvements for the Counterdrug program's statewide drug interdiction and civil operations. The drug interdiction program supports federal, state, and local law enforcement throughout Alaska in drug investigations. The civil operations program provides drug education and positive life skills curriculum to Alaska youth in urban and remote communities.

**PREVIOUS LEGISLATIVE CONSIDERATION**

The Department has not previously requested an RPL for the Counterdrug program. An annual capital appropriation of \$100,000 in federal receipt authority has been approved by the Legislature for more than ten years.

**TIMING ISSUES**

Forfeiture funding, in general, is difficult to budget for as the timing and amounts of payouts are unpredictable. Although the Department anticipated a larger-than-average revenue disbursement

from the 2006 case, there was no indication when the funds would be received. The Department started receiving the revenue in the latter part of FY2013.

DOJ has provided a signed award letter and a portion of the funding from the 2006 case. This funding is not tied to a federal funding cycle, does not lapse federally, and is available to the Counterdrug program upon receipt until expended. The consequence of a delay or disapproval of this request is that the State of Alaska will need to return all revenue that is in excess of authority.

### **BUDGETARY ISSUES**

Currently there is insufficient budget authority in the FY2013 capital appropriation to cover all revenue from the 2006 case. The Counterdrug program received \$5,757 more than the FY2013 \$100,000 federal authorization and anticipates an additional \$144,250 for a total need of \$150,000 additional authority. The federal authorization is being requested in the FY2013 appropriation to allow the \$100,000 in federal receipt authority in the FY2014 Counterdrug appropriation to be available for asset forfeiture funding from other cases.

***Legislative Fiscal Analyst Comment:*** Because \$5,757 was collected in FY13 it must be applied to the FY13 capital appropriation. The remaining \$144,250 could be applied in either year, but it is administratively easier to apply it to the FY13 capital appropriation.

All expenditures in the Counterdrug Support appropriation are consistent with the Department's mission and measures. These expenditures are 100% federally funded and spent for services and commodities in accordance with the DOJ guidelines. Staffing in the Counterdrug program are Alaska National Guard members paid directly by the federal government.

		<b>Appropriation</b>	<b>General</b>	<b>Other</b>
		<b>Allocations</b>	<b>Items</b>	<b>Funds</b>
1				
2				
3	Fort Richardson - Camp		3,000,000	1,200,000
4	Denali - Install Fire			
5	Sprinkler System (HD			
6	16-32)			
7	Interior Alaska Veterans		2,000,000	2,000,000
8	Cemetery (HD 7-11)			
9	Mobile Emergency		925,000	
10	Operations and Command			
11	Vehicle Storage			
12	Construction (HD 13-16)			
13	National Guard Counterdrug		100,000	100,000
14	Support (HD 1-40)			
15	State Homeland Security		9,500,000	9,500,000
16	Grant Programs (HD 1-40)			
17	Statewide Emergency Food		4,860,000	
18	Supplies (HD 1-40)			
19	<b>Deferred Maintenance,</b>		<b>8,542,500</b>	<b>4,000,000</b>
20	<b>Renewal, Repair and</b>			
21	<b>Equipment</b>			
22	Alcantra Armory Deferred	320,000		
23	Maintenance (HD 13-16)			
24	Bethel Armory Deferred	340,000		
25	Maintenance (HD 38)			
26	Civil Support Team	560,000		
27	Facility Deferred			
28	Maintenance (HD 16-32)			
29	Fairbanks Armory Deferred	20,000		
30	Maintenance (HD 7-11)			
31	Haines Armory Deferred	320,000		
32	Maintenance (HD 5)			
33	Joint Base Elmendorf	5,128,000		

**National Guard Counterdrug Support**

**FY2013 Request:** \$100,000  
**Reference No:** 42898

**AP/AL:** Appropriation  
**Category:** Public Protection  
**Location:** Statewide  
**Impact House District:** Statewide (HD 1-40)  
**Estimated Project Dates:** 07/01/2012 - 06/30/2017

**Project Type:** Life / Health / Safety  
**House District:** Statewide (HD 1-40)  
**Contact:** McHugh Pierre  
**Contact Phone:** (907)428-6003

**Brief Summary and Statement of Need:**

The National Guard Counterdrug Support Program (CDSP) supports law enforcement agencies in drug enforcement operations, assists in training law enforcement officers, and provides community-based drug awareness programs. The primary purpose of the U.S. Department of Justice Asset Forfeiture Program is to deter crime by depriving criminals of profits and proceeds from their illegal activities. The CDSP program is needed to provide citizen protection and life safety measures.

<b>Funding:</b>	<b>FY2013</b>	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>Total</b>
Fed Rcpts	\$100,000						\$100,000
<b>Total:</b>	<b>\$100,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$100,000</b>

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
0% = Minimum State Match % Required	<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill		

**Operating & Maintenance Costs:**

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
<b>Totals:</b>	<b>0</b>	<b>0</b>

**Prior Funding History / Additional Information:**

Cumulative 100% federal funding dating back to FY1999 totals over \$1,200,000.

**Project Description/Justification:**

The Counterdrug Support Program (CDSP) encompasses two critical areas: Drug Interdiction and Drug Demand Reduction (DDR). The Drug Interdiction program provides assistance to law enforcement agencies working on investigations or prosecutions that result in a federal forfeiture. This participation allows the state to receive federal funds as a result of forfeiture situations. Funds are received and expended in accordance with the U.S. Department of Justice's (USDOJ) guidance, primarily in the area of technological support, supplies and/or facility improvements to the program. The Drug Demand Reduction program is a drug education and positive life skills curriculum that CDSP provides to youth across Alaska.

This program supports DMVA's priority to defend and protect Alaska and the United States and provide youth intervention.





DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

**Criminal Investigation**

October 29, 2012

Major Jane Lowery  
Alaska National Guard  
PO Box 5800  
Ft. Richardson, Alaska 99505

**Person to Contact:**  
Special Agent Jeff Holm  
Asset Forfeiture Coordinator  
**Telephone Number:**  
206-464-4905  
**Refer Reply to:**  
RANES, Thomas

Re: Seizure of U.S. Currency, Real Property and General Property

Dear Major Lowery:

This letter is in response to your sharing request filed with the Internal Revenue Service (IRS) seeking equitable distribution of the above-described property pursuant to Section 309 of Public Law 98-4733 (the Comprehensive Crime Control Act of 1984), as implemented by the Secretary of the Treasury's Guidelines on Seized and Forfeited Property (April 2004).

In your request for equitable sharing, you asked for a percentage of the net proceeds resulting from the following seizures:

AFTRAK #	Asset Description	Value	Percentage
91060058-01	1964 Pontiac GTO	\$11,250	10%
91060060-02	1301 Muldoon Road	\$3,165,320.44	10%
91060063-01	1625 E 64 <sup>th</sup> Avenue	\$1,700,000	10%
91060072-01	U.S. Currency	\$45,571.70	10%
91060074-01	U.S. Currency	\$46,911.64	10%
91060157-01	Hillcrest Subdivision, Blk 1; Lot 2	\$120,080	10%
91060158-01	Hillcrest Subdivision, Blk 5; Lot 2	\$47,200	10%
91060159-01	Hillcrest Subdivision, Blk 5; Lot 3	\$47,200	10%
91060160-01	Hillcrest Subdivision, Blk 5; Lot 4	\$47,200	10%
91060161-01	Hillcrest Subdivision, Blk 5; Lot 5	\$47,280	10%
91060162-01	Hillcrest Subdivision, Blk 5; Lot 6	\$305,040	10%
91060163-01	Hillcrest Subdivision, Blk 1; Lot 1	\$138,800	10%

## DECISION

Your agency's sharing request for net proceeds has been granted in the above percentages listed. This percentage was based on your agency's overall participation in and contribution to the investigation. If you have any questions

regarding the percentage approved, please contact the Asset Forfeiture Coordinator at the telephone number listed above. The asset has been forfeited and you will be notified of when to expect payment.

If your request has been granted in whole or in part, please note the following information:

No property can be shared unless your agency has submitted a Federal Equitable Sharing Agreement to the Treasury Executive Office of Asset Forfeiture (TEOAF).

All assets placed into official use must be used for a law enforcement purpose for at least one year.

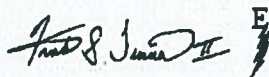
All state and local law enforcement agencies must implement standard accounting procedures and internal controls (e.g., tracking share requests and receipts, depositing shares into a separate revenue account or accounting code, restrictively endorsing checks upon receipt) to track equitably shared monies and tangible property. See the Department of Treasury Guide to Equitable Sharing for details.

Any property transferred to your agency must be utilized as a budget enhancement and not as a budget offset.

On occasion, circumstances arise which may require the return of forfeited property or proceeds after it has been equitably shared. If those circumstances occur, you may be requested to return the property or proceeds shared with you, or to have an equitable amount deducted from a future equitable share.

If you have any questions regarding this letter or the status of the related forfeiture action, please contact the person named above.

Sincerely,

A handwritten signature in black ink, appearing to read "Frank S. Turner II", followed by a stylized lightning bolt symbol.

Frank S. Turner II  
Associate Director, OPS (Warrants and  
Forfeiture)

**DMVA RPL 9-3-0482**

**Seized Asset Listing and Anticipated State Share**

**As of August 8, 2013**

ASSET VALUE	PERCENTAGE	AMOUNT EXPECTED	FUNDING RECEIVED	NOT YET RECEIVED
\$11,250.00	10%	\$1,125	\$252	\$873
\$3,165,320.44	10%	\$316,532	\$316,336	\$196
\$1,700,000.00	10%	\$170,000	\$65,762	\$104,238
\$45,571.70	10%	\$4,557	\$4,348	\$209
\$46,911.64	10%	\$4,691	\$4,482	\$209
\$120,080.00	10%	\$12,008	\$6,268	\$5,740
\$47,200.00	10%	\$4,720		\$4,720
\$47,200.00	10%	\$4,720		\$4,720
\$47,200.00	10%	\$4,720		\$4,720
\$47,280.00	10%	\$4,728		\$4,728
\$305,040.00	10%	\$30,504	\$22,877	\$7,627
\$138,800.00	10%	\$13,880	\$7,961	\$5,919
<u>\$5,721,853.78</u>		<u>\$572,185</u>	<u>\$428,286</u>	<u>\$143,900</u>

Plus Excess Receipts - Authorization Needed	\$5,759
<b>Estimated Additional Authority Needed (Round Request to \$150,000)</b>	<b>\$149,659</b>

FY2013 Capital Appropriation	\$100,000
Treasury Receipts received in the Spring of 2013 that were applied to this appropriation:	\$105,759
Excess Receipts - Authorization Needed	\$5,759
Estimate of Additional Receipts Anticipated	\$144,250
<b>Estimate of Federal Authorization Needed (Round Request to \$150,000)</b>	<b>\$150,009</b>